

**COASTAL CAROLINA UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
CONWAY, SOUTH CAROLINA**

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**Independent Accountants' Report On  
Applying Agreed-Upon Procedures  
June 30, 2013**



**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
For the Year Ended June 30, 2013

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Independent Accountants' Report On  
Applying Agreed-Upon Procedures

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We have audited the financial statements of Coastal Carolina University as of and for the year ended June 30, 2013, and have issued our unqualified report thereon under date of January 13, 2014. At your request, we have also performed the procedures described below which were agreed to by the Board of Trustees and management of Coastal Carolina University, solely to assist these users in evaluating the performance of the University's Intercollegiate Athletics Program and to assist the University in complying with NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 2013. The Statement of Revenue and Expenditure of Coastal Carolina University Intercollegiate Athletics Program and related note disclosures presented in attachment A was not audited or reviewed by us. We were not engaged to, and did not, perform an audit or a review, the objectives of which would be the expression of an opinion or limited assurance on the performance of the University's Intercollegiate Athletics Program or the compliance with the NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 2013. Accordingly, we do not express such an opinion or limited assurance. Management is responsible for Coastal Carolina University's compliance with the requirements of NCAA Bylaw 6.2.3.1, the Intercollegiate Athletics Program's financial records, internal controls and compliance with applicable laws, rules and regulations. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we made no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Procedures Related to the Statement of Revenues and Expenditures**

1. We obtained from accounting management a list of all outside organizations that have as their principal purpose or one of their principal purposes the generating of resources for or on behalf of the University's Intercollegiate Athletics Program or the promotion of the Program. We then confirmed the amounts received from these outside organizations directly with the responsible officials of these organizations. We compared the amount per the confirmation with the amount recorded in the Athletic Department's general ledger and on the Statement of Revenues and Expenditures.

We read the audited financial statements for the Coastal Carolina Chanticleer Club and compared the contribution total to the balance shown on management's Intercollegiate Athletics Program Statement of Revenues and Expenditures report.

We found no exceptions as a result of this procedure.

2. We scanned the Intercollegiate Athletics Program contributions revenue account detail to identify each individual contribution received directly that constitutes more than ten percent of all contributions received for intercollegiate athletics. For these recorded receipts, we obtained and read correspondence from the donor to determine the receipts were classified in accordance with NCAA guidelines, to identify those received from independent outside sources and to determine that the source and value of each such contribution is disclosed in a footnote to the statement.

We found that the contributions described in Note 1 Attachment A to be the only individual contributions in excess of ten percent of all contributions and we found no exceptions as a result of this procedure.

3. We asked accounting management to describe the basis for allocating student athletic fees to athletics and obtained from management the reconciliation of total student fees revenue. We obtained the University's general ledger detail from management and compared the total with the amount of Student Activity Fee revenue recorded in the general ledger and on the Statement of Revenues and Expenditures.

We found no exceptions as a result of this procedure.

4. We obtained all daily cash receipts reports for the Intercollegiate Athletics Program prepared by various program representatives. We then selected a sample and recalculated the reports, compared the amount on the department deposit receipt with the amount on the cashiers' office deposit transmittal, and compared the amount recorded on the cashiers' office deposit transmittal to the amount recorded in the University's general ledger accounts for the Intercollegiate Athletics Program. We obtained from accounting management the general ledger activity for all cash receipts related to intercollegiate athletics. We selected a sample of individual receipts and compared the recorded cash receipt amount to the amount on the cashiers' office deposit transmittal reports prepared by the athletic department and submitted along with the cash to the cashiers' office. The sample of the individual receipts selected for comparison is as follows:

Receipt	Date	Amount
C000491149	7/5/2012	\$ 3,811.00
C000492642	7/20/2012	749.00
C000497065	8/9/2012	1,836.00
C000502378	8/24/2012	3,484.00
C000503750	9/5/2012	289.00
C000504690	9/10/2012	3,690.20
C000507152	9/21/2012	464.00
C000508017	10/2/2012	4,125.00
C000510761	10/17/2012	105,250.00
C000512238	11/1/2012	150.00
C000513750	11/12/2012	86.39
C000514891	11/20/2012	1,024.00
C000516510	12/5/2012	664.00
C000517687	12/14/2012	2,666.59
C000521839	1/8/2013	1,550.00
C000526313	1/23/2013	(424.00)
C000528861	2/4/2013	2,882.00
C000531683	2/19/2013	6,550.00
C000533627	3/5/2013	3.06
C000536432	3/19/2013	6,653.00
C000540284	4/9/2013	1,718.00
C000542083	4/18/2013	660.00
C000545130	5/6/2013	733.00
C000547775	5/29/2013	280.00
C000550047	6/14/2013	400.00

We found no exceptions as a result of this procedure.

5. We obtained and read copies of the game guarantee contracts. We recalculated the total amount of the contracts, and compared this amount with the amount recorded as Guarantee revenue on the Statement of Revenues and Expenditures. We also compared expenditures per the contracts to expenditures recorded in the program's accounts in the general ledger.

We found no exceptions as a result of this procedure.

6. We obtained a schedule of athletics department salaries from athletic management. We compared the amounts listed on the schedule to amounts recorded in the general ledger and on the Statement of Revenues and Expenditures. We calculated the related fringe expenditures using Coastal's fringe benefit rate and compared the amounts calculated with the reported expenditures in the appropriate general ledger accounts.

We found no exceptions as a result of this procedure.

7. We asked athletic management to describe specific elements of the University's internal control unique to the Intercollegiate Athletics Program's accounting system and financial reporting.

We found no exceptions as a result of this procedure.

8. We obtained from athletic management a listing of Athletics events for the year and from this list we selected a sample of events. For the events that have ticket sales, we compared the number of tickets sold per the general ledger with the amount of tickets sold per the ticket report. We recalculated the mathematical accuracy of the amount of ticket sales revenue by multiplying the number of tickets sold, per the ticket sales report, by the individual ticket price. We obtained and read the correspondence accompanying any concession revenue commission checks received. We compared the amount on the accompanying correspondence with the amount recorded in the general ledger. The events that were tested are as follows:

Event	Date
All Home Football Games (Including Any Tournaments)	09/01/2012-11/17/2012
All Home Men's Basketball Games (Including Any Tournaments)	11/09/2012-02/27/2013
All Home Women's Basketball Games (Including any Tournaments)	11/12/2012-03/06/2013
All Home Baseball Games (Including Any Tournaments)	02/16/2013-05/14/2013
Coastal Carolina Girls Soccer Camp	07/14/2012-07/17/2012
Youth 7-on-7 Football Day Camp	07/12/2012-07/13/2012
Youth One-Day Football Camp	7/14/2012
Gary Gilmore Baseball Camp	07/09/2012-07/12/2012

We found no exceptions as a result of this procedure.

9. We selected a sample of recorded expenditures for contractual services, travel, uniforms, financial aid and equipment and supplies from the general ledger. We compared the classification of the selected expenditures in the statement to the classifications permitted by NCAA Guidelines as stated by the NCAA Audit Legislation. For the selected expenditures we obtained the related disbursement package to determine the items required by Coastal's procurement policy were included and that the expenditure had been authorized in accordance with the University's policy.

**Excluding Student Aid:**

Description	Voucher	Date	Amount
Chanticleer Athletic Foundation	V0525314	7/9/2012	\$ 100.00
Cultural Vistas Inc	V0527532	8/3/2012	200.00
ARAMARK INC	V0528895	8/23/2012	84.15
Russell Athletic	V0529588	8/30/2012	278.31
Arnold Spain	V0535841	9/14/2012	137.50
Quinton M. Davis	V0537016	9/24/2012	770.00
Native Sons	V0538062	10/3/2012	160.00
Sweettees Inc	V0539178	10/12/2012	38.10
Kyle S. Russell	V0542961	10/22/2012	2,000.00
Mrs. Cari L. Rosiek	V0544207	11/1/2012	9.04
Andrew M. Herring	V0545374	11/14/2012	270.00
Fedex	V0546385	11/28/2012	405.73
Jessica A. Winans	V0547464	1/1/2013	500.00
ARAMARK INC	V0548325	12/19/2012	672.20
Native Sons	V0549507	1/11/2013	280.00
Seanna R. Kautz	V0552989	1/24/2013	573.00
Jonathan M. Hurt	V0556530	2/7/2013	6,500.00
James D. Cheatwood, III	V0557933	2/21/2013	770.00
ARAMARK INC	V0559578	3/13/2013	12.00
Jaime Sellers	V0560423	3/22/2013	352.89
CBS Interactive Inc.	V0564878	4/5/2013	1,589.60
William G. Remillard	V0566324	4/22/2013	150.00
BSN Sports	V0567616	5/6/2013	2,043.68
Justin Wayne Simmons DbA/Frames by Lauren Elizabeth	V0569199	5/22/2013	324.00
ARAMARK INC	V0571144	6/17/2013	160.04

We found no exceptions as a result of this procedure.



**Student Aid:**

<u>Student</u>	<u>Sport</u>	<u>G/L Awarded Amount Traces To Student Account Detail</u>	<u>G/L Awarded Amount Traces To Approved Award Letter</u>
Justin M. Adcock	Men's Basketball	Y	Y
Michael J. Honeycutt	Baseball	Y	Y
Erica M. Lenza	Cheerleading	Y	Y
Shuler C. Hayes	Football	Y	Y
Uros Ljeskovic	Men's Basketball	Y	Y
Vincent G. Apicella	Baseball	Y	Y
Russel M. Kanner	Men's CC/Track	Y	Y
Matthew A. Ashley	Football	Y	Y
Benjamin M. Wheeler	Men's Golf	Y	Y
Tevin A. Skyers	Men's Soccer	Y	Y
Ted M. Nilsson	Men's Tennis	Y	Y
Shatia A. Cole	Women's Basketball	Y	Y
Khayla G. Johnson	Women's Basketball	Y	Y
Camille B. Hurley	Women's CC/Track	Y	Y
Lena Schaeffner	Women's Golf	Y	Y
Rachel A. Waldron	Women's Lacrosse	Y	Y
Rhacacia M. Pierre	Softball	Y	Y
Brianna M. Blacklock	Softball	Y	Y
Rylie E. Johnson	Women's Soccer	Y	Y
Gabriella Horvath	Volleyball	Y	Y
Darriale Y. Henley	Women's CC/Track	Y	Y
Kindra M. Bailey	Volleyball	Y	Y
Charles P. Ashford	Men's Basketball	Y	Y
Matias D. Pasquale	Men's Tennis	Y	Y
LaDarius J. Hawthorne	Football	Y	Y

We found no exceptions as a result of this procedure.

10. We obtained from accounting management a listing of all expenditures made directly by the respective outside organizations on behalf of the University's Intercollegiate Athletics Program or employees to determine if they were included as revenues and expenditures on the University's Intercollegiate Athletics Program's accounting records and the Program's statement of Revenues and Expenditures. We compared the amounts on this list with the amounts recorded on management's worksheets.

We found no exceptions as a result of this procedure.

11. We requested a listing of all marketing contracts made by Athletics for commercials, scoreboard ads, etc. We judgmentally selected a sample to trace contracted amounts to the general ledger.

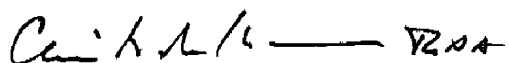
We found no exceptions as a result of this procedure.

12. We obtained the Statement of Revenues and Expenditures of Coastal Carolina University Intercollegiate Athletics Program and related note disclosures for the year ended June 30, 2013, as prepared by accounting management of the University and shown on page 8 in this report. We recalculated the addition of the amounts on the statement, traced the individual line item amounts from the Statement of Revenues and Expenditures to management's worksheets and compared the amounts on management's worksheets to the accounts in the University's general ledger.

We found one exception as a result of this procedure, which was reported to management and corrected. There was \$16,040 of revenue and \$16,040 of expense included in Women's Basketball when both should have been included in Non-Sport Specific for Indirect Facilities and Administrative Support and Indirect Facilities and Administrative Costs. Management's response is found on page 12 of this report.

We were not engaged to, and did not conduct an audit the objective of which would be the expression of an opinion on compliance with NCAA Bylaw 6.2.3.1 or the expression of an opinion on The Statement of Revenues and Expenditures of the Intercollegiate Athletics Program of Coastal Carolina University for the year ended June 30, 2013 and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations described in paragraph one and procedures one through twelve of this report. Therefore we express no opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Trustees and management of Coastal Carolina University and is not intended to be and should not be used by anyone other than these specified parties.



January 13, 2013

**Coastal Carolina University**  
**InterCollegiate Athletics Program**  
Statement of Revenues, Expenditures, and Transfers  
For the Year Ended June 30, 2013  
(Unaudited)

	Football	Baseball	Men's Basketball	Women's Basketball	Men's Soccer	Women's Soccer	Other Sports	Non-Sport Specific	Total
<b>Operating Revenues:</b>									
Ticket Sales	\$ 253,253	47,623	152,943	5,950	-	-	-	-	\$ 459,769
Student Activity Fees	1,277,731	306,657	281,475	259,771	146,335	193,547	1,384,002	44,600	3,894,118
Guarantee <sup>s</sup>	530,250	-	10,000	-	3,000	-	1,500	-	544,750
Chanticleer Athletic Foundation Contribution <sup>s</sup>	114,452	95,330	35,926	13,643	100	10,439	99,085	159,158	528,133
Coastal Educational Foundation Contribution <sup>s</sup>	1,209	3,457	-	-	-	-	35,683	2,981	43,330
Gifts	-	-	-	-	-	-	-	-	-
Inkind Gifts	-	-	-	-	-	-	250,440	-	250,440
Direct institutional support	2,468,358	1,099,217	989,766	713,590	418,651	430,309	3,084,448	2,081,604	11,285,943
Indirect Facilities and Administrative Support <sup>t</sup>	669,574	244,532	291,753	180,641	72,332	56,033	571,289	1,080,109	3,166,263
NCAA Program for Academic Enhancemen <sup>t</sup>	-	-	-	-	-	-	-	68,870	68,870
NCAA Distributions	13,232	2,023	-	-	9,679	-	834	935,891	961,659
Big South Distributions	-	-	-	-	-	-	-	49,580	49,580
Program and Novelty Sales/Concessions	210	-	-	-	-	-	2,845	12,051	15,106
Sponsorships/Royalties/Commissions	17,623	2,000	-	1,870	4,165	2,542	25,919	827,249	881,368
Sport Camp Field Rentals	-	-	-	-	-	-	-	10,579	10,579
Tournament Revenue and Entry fees, Service <sup>s</sup>	-	-	89,705	-	2,172	-	50,704	11,746	154,327
<b>Total Revenues</b>	<b>\$ 5,345,892</b>	<b>1,800,839</b>	<b>1,851,568</b>	<b>1,175,465</b>	<b>656,434</b>	<b>692,870</b>	<b>5,506,749</b>	<b>5,284,418</b>	<b>\$ 22,314,235</b>
<b>Expenditures:</b>									
Scholarships including Out of State Abatement <sup>s</sup>	\$ 2,097,469	430,590	436,580	384,613	271,138	381,422	2,308,691	168,374	\$ 6,478,877
Guarantee <sup>s</sup>	-	41,902	59,592	7,500	7,235	-	-	-	116,229
Coaching Salaries and Fringe Benefits	1,237,116	490,718	554,120	329,027	158,970	123,149	1,204,549	-	4,097,648
Severance Payments	-	-	-	-	-	-	-	-	-
Administrative Salaries and Fringe Benefits	234,475	46,716	87,096	67,986	-	-	51,032	2,373,866	2,861,171
Recruiting	175,472	65,272	74,194	26,482	12,460	19,279	113,869	-	487,027
Team Travel	236,520	115,110	118,618	69,724	50,423	39,348	495,865	-	1,125,608
Equipment, Uniforms and Supplies	315,412	52,983	42,268	35,447	21,842	32,502	202,941	-	703,395
Game Expense <sup>s</sup>	181,301	115,352	63,118	47,820	11,103	11,267	127,727	-	557,688
Marketing and Promotions	-	-	-	-	-	-	-	291,425	291,425
Direct Facilities Maintenance and Rentals	83,843	179,224	7,466	4,392	24,267	22,895	324,230	63,469	709,785
Cheerleaders and Band	-	-	-	-	-	-	-	119,877	119,877
Indirect Facilities and Administrative Cost	669,574	244,532	291,753	180,641	72,332	56,033	571,289	1,080,109	3,166,263
Medical Expenses and Insuranc <sup>e</sup>	-	-	-	-	-	-	-	320,077	320,077
Memberships and Due <sup>s</sup>	197	-	1,195	429	567	1,321	5,765	29,034	38,509
Visiting Team / Tournament Expense <sup>s</sup>	114,512	18,441	13,318	20,043	19,158	2,040	12,042	-	199,554
Other Operating Expense <sup>s</sup>	-	-	102,251	1,360	6,939	3,614	88,750	713,958	916,872
<b>Total Expenditures</b>	<b>\$ 5,345,891</b>	<b>1,800,839</b>	<b>1,851,568</b>	<b>1,175,465</b>	<b>656,434</b>	<b>692,870</b>	<b>5,506,749</b>	<b>5,160,189</b>	<b>\$ 22,190,005</b>
<b>Excess (Deficiency) of Operating Revenues</b>									
<b>Over (Under) Expenses</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124,229</b>	<b>\$ 124,230</b>

**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues and Expenditures  
June 30, 2013  
(Unaudited)

**NOTE 1-CONTRIBUTIONS**

Contributions and gifts to Coastal Carolina University's Intercollegiate Athletics Program totaled \$779,112. This amount is reported in Attachment A at the following captions:

Chanticleer Athletic Foundation Contributions	\$ 528,672
Inkind Gifts	250,440
	<u>\$ 779,112</u>

Individual contributions which exceeded 10 percent of the total contributions and the related donors included in the above amounts are as follows:

Chanticleer Athletic Foundation	\$ 528,672
TPC of Myrtle Beach in Murrells Inlet	<u>98,644</u>
	<u>\$ 627,316</u>

**NOTE 2-INTERCOLLEGIATE ATHLETICS - RELATED ASSETS**

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The asset capitalization policy refers to guidelines set by the State of South Carolina to determine the useful life of an asset. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses or extend the useful life of an existing building costing in excess of \$100,000 are capitalized. Permanent Improvement projects and routine maintenance that do not fall within the defined parameters for capitalization will be expensed in the year they occur according to Generally Accepted Accounting Principles. (GAAP) As a rule, if the work is of a replacement nature and does not materially lengthen the useful life of a structure, it will not be capitalized.

Interest cost incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period. During the year ended June 30, 2013, the University capitalized interest expense in the amount of \$1,515,519. Of that number, \$755,642 was associated with the Institutional Bonds issued in 2010 and \$759,877 was associated with the Auxiliary Revenue Bonds issued in 2013. In Fiscal Year 2013 no capitalized interest was appropriated to athletic-related assets.

Total estimated book value of plant and equipment, net of depreciation, for Athletics is \$32,520,872 compared to the institution total of \$359,846,269.

**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues and Expenditures  
June 30, 2013  
(Unaudited)

**NOTE 2-INTERCOLLEGIATE ATHLETICS - RELATED ASSETS CONT'D**Changes to Athletic Facilities by Sport

	<u>Basketball</u>	<u>Baseball</u>	<u>Football</u>	<u>Other</u>	<u>Total</u>
Additions	\$ 666,557	-	287,500	435,944	1,390,001
Deletions	-	-	-	-	-
Total	<u>\$ 666,557</u>	<u>-</u>	<u>287,500</u>	<u>435,944</u>	<u>1,390,001</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Capital Asset Activity as related to Athletics for the year ended June 30, 2013</b>				
Tennis Complex Land Acquisition	\$ -	-	2,200	2,200
Adjustment to CIP for Land	<u>\$ -</u>	<u>-</u>	<u>2,200</u>	<u>2,200</u>

**Athletic Construction in Progress Detail**

CCU Total Construction in Progress	\$ 27,475,311	28,756,064	(28,874,899)	27,356,476
Athletic Construction in Progress	-	-	-	-
Baseball/Softball Complex Improvement	457,662	1,688,564	-	2,146,226
HTC Center	214,529	-	(214,529)	-
Tennis Complex Construction	<u>2,200</u>	<u>40,637</u>	<u>(2,200)</u>	<u>40,637</u>
CIP Dedicated to Athletics	<u>\$ 674,391</u>	<u>1,729,201</u>	<u>(216,729)</u>	<u>2,186,863</u>

**Athletic Additions to Buildings**

PGM Instructional Facility	-	118,383	-	118,383
HTC Center	-	444,481	214,529	659,010
	<u>\$ -</u>	<u>562,864</u>	<u>214,529</u>	<u>777,393</u>
Net Transfers from CIP	<u>\$ 674,391</u>	<u>2,292,065</u>	<u>-</u>	<u>2,966,456</u>

**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues and Expenditures  
June 30, 2013  
(Unaudited)

**NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT**

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Balance 6/30/2013</u>
State Institution Obligation Bonds Related to Athletics Facilities			
2002	3.25% to 4.625%	9/1/2022	1,317,548
2006	4.25% to 6.00 %	10/1/2026	2,244,891
2010	3.52%	4/2/2030	11,512,297
			<u>\$ 15,074,736</u>

Maturities of debt related to intercollegiate athletics at June 30, 2013 were as follows:

<u>Due in Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2014	\$ 703,335	\$ 570,852	\$ 1,274,187
2015	720,196	562,662	1,282,858
2016	740,670	544,501	1,285,171
2017	763,552	536,095	1,299,647
2018-2022	4,256,142	2,438,090	6,694,232
2023-2027	5,235,270	1,936,926	7,172,196
2028-2030	2,655,571	899,765	3,555,337
	<u>\$ 15,074,736</u>	<u>\$ 7,488,891</u>	<u>\$ 22,563,628</u>

Athletically related debt service and total debt year ended June 30, 2013.

	<u>Athletically Related</u>	<u>University Total</u>
Total Annual Debt Service	<u>\$ 1,266,853</u>	<u>\$ 7,803,170</u>
Total Debt Outstanding:		
Institution Bonds	15,074,739	62,585,000
Revenue Bonds	-	72,551,000
	<u>\$ 15,074,739</u>	<u>\$ 135,136,000</u>

*Response to Statement of Revenues and Expenditures Exception*

The auditors notified management that a discrepancy existed in women's basketball expenses. Management investigated, identified an error in sports classification, and immediately corrected the specific errors in both sports.

The error in sports classification resulted in \$16,040 of indirect facilities and administrative support revenue (IFAS revenue) and \$16,040 of offsetting indirect facilities and administrative support expense (IFAS expense) reported in Women's Basketball instead of Non-Specific Sports. The result is an overstatement of IFAS revenues and IFAS expenses in Women's Basketball and an understatement of IFAS revenues and IFAS expenses in Non-Specific Sports. The University's general ledger was correct, net revenues and expenses were correct in both sports, and total athletics IFAS revenues and IFAS expenses were correct in spite of the classification error.

For managerial purposes, the University's general ledger tracks data in a different format than required by the NCAA. This increases the opportunities for errors in sport classifications. Management has implemented new control procedures to reduce the risk of a repeated classification error.